

MULTIDIMENSIONAL POVERTY INDEX 2016

2 June 2016

HIGHLIGHTS ~ EUROPE AND CENTRAL ASIA

All data will be live on www.ophi.org.uk/multidimensional-poverty-index/ on Wednesday 2 June.

At present, the Global MPI has national estimates for 16 countries in Europe and Central Asia, which are home to 158 million people, which is only 31% of the population in this region. Of these, just over 3 million people are MPI poor. This is the least poor region of those covered by the Global MPI, and also the region with the lowest population coverage. On average, just 2% of people in ECA are MPI poor, and the average intensity of poverty for each poor person is 38%.

In most countries within ECA, the Global MPI rates are very low. So the Global MPI – which measures acute multidimensional poverty – should be complemented by a measure of moderate multidimensional poverty, whose indicators and cutoffs better reflect the aspirations and standards of poverty in this region. Why do we still estimate and report the global MPI figures for the ECA countries? Primarily, it is because this provides evidence to other countries that it is indeed possible to eradicate acute multidimensional poverty as measured by the Global MPI. Given the goal of ‘universality’ that threads through the Sustainable Development Goals, it is important. Secondly, the global MPI shines a spotlight on pockets of poverty within ECA, as well as the higher levels of MPI in Tajikistan and Turkmenistan.

In 2015, we have updated MPI estimations for Kyrgyzstan using 2014 data. We also release MPI estimations for Turkmenistan for the first time but using 2006 data. Only Tajikistan, Turkmenistan, and Uzbekistan can be decomposed by subnational region – making it the region with least subnational data. What is interesting about the two updated countries is that in Tajikistan, whose current GNI is \$1080, 13.2% of the population were poor in 2012; in Kyrgyzstan, whose GNI is \$1250, 0.5% of the population are poor in 2014. Kyrgyzstan’s MPI is lower than that of Turkmenistan and Azerbaijan, but their GNI per capita is six times higher than Kyrgyzstan’s, suggesting that social policy rather than GNI per capita shape MPI levels.

Diversity in the Incidence of Poverty (H) within the Region: As a region, Europe and Central Asia has the lowest poverty rates and is the most uniform region, with all countries having a headcount ratio of 2% or less except Uzbekistan at 2.3%, Azerbaijan at 5.3%, Turkmenistan with 6.7% and in Tajikistan – the largest country in terms of population –, with 13.2% of the population being MPI poor.

Diversity in Intensity (A) within the Region: The pattern is actually rather different in terms of intensity, which has a higher spread than might be anticipated. While most countries have low intensity, the highest intensity is found not in Tajikistan, the poorest country, but in Montenegro; Serbia also has relatively high intensity for its poverty rate. These suggest that there may be pockets of deep poverty in otherwise low poverty regions.

In some countries within ECA, as in EAP, Latin America, and the Arab States, the Global MPI rates are very low, so the Global MPI – which measures acute multidimensional poverty – should be complemented by a measure of moderate multidimensional poverty, whose indicators and cutoffs better reflect the aspirations and standards of poverty in this region. This is particularly the case in ECA. However, there is still a value in reporting the very low figures of the ECA countries, because this provides evidence to other countries that it is indeed possible to eradicate acute multidimensional poverty as measured by the Global MPI. Given the goal of ‘universality’ that threads through the Sustainable Development Goals, it is important.

- **Data:** The 2016 Global MPI estimations for ECA are taken from surveys fielded 2005-2014. All are Demographic and Health Surveys or Multiple Indicator Cluster Surveys. The most recent data are for Kyrgyzstan and Serbia (2014), Montenegro (2013), and Ukraine, Moldova, and Tajikistan (2012), followed by Bosnia and Herzegovina (2011/12), and Macedonia (2010). Ten of the 15 ECA countries covered have MPI estimations based surveys that have been fielded 2010-2014. ECA does have two countries with 2005

data, which is the oldest survey used and which will be dropped from 2017 (Georgia, Belarus).